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OTHER MATTERS

Proposal concerning location of United Nations Development Programme and United Nations Population Fund headquarters

Report of the Administrator

Addendum

PROGRAMME-RELATED, BUDGETARY, LEGAL AND ADMINISTRATIVE IMPLICATIONS RELATED TO GOVERNING COUNCIL DECISION 92/44

I. BACKGROUND AND INTRODUCTION

1. In paragraph 2 (c) of its decision 92/44 of 26 May 1992, the Governing Council requested the Administrator to examine in consultation with the relevant departments of the United Nations Secretariat all programme-related, budgetary, legal and administrative implications of the offer.

2. A working group of representatives from the United Nations Secretariat, the United Nations Population Fund (UNFPA) and the United Nations Development Programme (UNDP) was established in September 1992. The working group was chaired by the Assistant Administrator and by the Director of the Bureau for Finance and Administration (BFA), UNDP, and reported to the Associate Administrator. The working group was requested to undertake a study and establish a framework to identify indicative costs and key issues that needed to be addressed.

3. As a preliminary step, the working group reviewed the move of the premises of the United Nations Industrial Development Organization (UNIDO) from New York to Vienna that took place between 1976 and 1978. The data obtained from the review assisted the working group to specify the issues that required further elaboration.

4. A series of consultations was held with the relevant units of UNDP, UNFPA and the United Nations Development Fund for Women (UNIFEM) and the United Nations Secretariat to elaborate further on these issues, define the specific needs and requirements of each and provide the basis for the costing exercise, including services currently provided by the United Nations Secretariat.

5. Consultations or briefing sessions were also held, as required, with representatives of Germany and of the United States of America, who were kept informed of progress made.

6. Following these discussions, a more detailed framework of issues and questions was developed, which then formed the basis of the study. These issues are listed in annex I to the present document and were divided into three tentative time frames, as follows: (a) those that could be reviewed before the fortieth session of the Governing Council; (b) those that could be taken up only after the fortieth session of the Governing Council; and (c) those that could be addressed only should the General Assembly approve the proposed relocation to Bonn. A detailed analysis of the issues in (a) was, therefore, undertaken and is contained in the present report.

7. The Permanent Mission of Germany to the United Nations was also requested to provide information pertaining to the availability of services and their costs in Bonn. This included more specific details of the premises being offered; availability of conference facilities; a preliminary overview of the Bonn housing market; schools in the Bonn-Cologne-Dusseldorf area; telecommunication facilities; health insurance; and price indices.

8. A joint United Nations Secretariat/UNDP/UNFPA mission to Bonn was fielded in early December 1992 in order to verify and confirm data collected, identify

additional cost elements and further elaborate on issues. More specifically, the mission reviewed and collected information on the following:

(a) Employment conditions and benefits in Bonn and its surrounding area (Cologne, Frankfurt and Dusseldorf);

(b) Schools in Bonn: American High School; British High School; British Preparatory School; French High School;

(c) Housing issues;

(d) Training availability, including language instruction;

(e) Conference facilities, translation and interpretation availability;

(f) The building that has been offered, its site and architectural plans;

(g) Other possible building complexes;

(h) Post adjustment calculation; General Service salary survey; daily subsistence allowance (DSA) survey;

(i) Communications facilities and costs;

(j) Transportation facilities and costs;

(k) Other costs: utilities tariffs; supplies/procurement;

(l) Private and government health/medical insurance schemes.

9. The main issues identified by the mission were discussed with the German authorities in Bonn and are elaborated on below.

10. For the purposes of this exercise, it was assumed that the effective date of the proposed move to Bonn would be 1 January 1996 and, further, that the move would be phased over a period of six months. Consequently, all costs related to premises in New York, such as rent and utility costs incurred after 1 January 1996 until the end of the transition period, i.e., 30 June 1996, are included as transition costs.

11. The organizations and units covered by Governing Council decision 92/44 at the time of its adoption related to all headquarters units of UNDP and UNFPA, including the Office for Project Services (OPS), the United Nations Sudano-Sahelian Office (UNSO), the United Nations Capital Development Fund (UNCDF) and UNIFEM. References to UNDP in the present report therefore include these funds. However, in view of the Secretary-General's recent decision on the incorporation of OPS within the United Nations Secretariat, as well as the need for UNDP also to consider the possibility of moving the United Nations Volunteers Programme (UNV) or the UNDP Geneva Office, the study identified a number of separate scenarios for the move to Bonn, as follows: (a) including and excluding OPS; (b) including and excluding UNV; and (c) including and excluding the UNDP Geneva Office, but, in the case of the latter, maintaining a liaison office in Geneva.

12. Notwithstanding that the offer from the Government of Germany was inclusive of the costs of all UNDP and UNFPA staff members, some Professional staff members would not be able to move for personal and other reasons. Unlike Professional staff members, however, who are recruited to serve with UNDP and UNFPA wherever they may be called upon to do so, General Service staff members are recruited locally for the particular duty station, in the present case, New York. In all likelihood, a large proportion of General Service staff members would choose not to relocate. Accordingly, three scenarios were prepared for working purposes, as follows: (a) 90 per cent of the Professional staff and none of the General Service staff would relocate; (b) 90 per cent of the Professional staff and up to 10 per cent of the General Service staff would relocate; and (c) 90 per cent of the Professional staff and up to 25 per cent of the General Service staff would relocate. It should, however, be stressed that the assumptions on the proportion of the General Service staff members relocating were not based on any survey and are, therefore, used for indicative purposes only.

13. The Governing Council should note that the cost estimates and comparisons have been based on prices and exchange rates effective as of December 1992, with no inflation factor included. The exchange rate used was deutsche marks 1.60 per United States dollar. Consequently, all costs would need to be adjusted to prices and exchange rates prevailing in January 1996.

14. As further elaborated upon below, the budgetary implications shown are for indicative purposes only. They have been divided into two categories: (a) transition costs i.e., those related to the transfer of UNDP and UNFPA and their respective personnel to Bonn and (b) recurrent expenditure implications i.e, the net change to the recurrent administrative budgets of UNDP and UNFPA, determined by reviewing the major categories of expenditure incurred by both organizations in New York in 1992 and comparing these costs to the likely 1992 costs that would be incurred in Bonn.

15. The Governing Council should, however, be aware that, in line with paragraphs 11 and 12 above, the extent of the budgetary implications will vary, depending on which scenario is used and which assumptions are made. A range is presented in the present report with the minimum and maximum amounts, wherever applicable. More detailed budgetary implications for each scenario are, however, also included and these are summarized in tables 1-10 of annex II to the present document.

16. Furthermore, in line with paragraph 13 above, the Governing Council should note that the estimated potential savings in recurrent costs could be affected by a change in the value of the United States dollar relative to the deutsche mark or by changes to New York-based costs. The results, therefore, are sensitive to the assumptions made, in particular to the exchange rate and possible differences between inflation rates in both locations.

17. The formal offer of the German Government was to accommodate UNDP and UNFPA in the Schuermann building. The mission fielded to Bonn, which included members of the United Nations Secretariat's Overseas Construction Unit, reviewed this complex and found that, under certain growth assumptions, the site may not be suitable to accommodate all the requirements of UNDP and UNFPA. Discussions with the German authorities indicated that a number of other possibilities could

be made available, either in addition to the Schuermann building or to substitute for it. These other possibilities were also reviewed by the mission, which concluded that they would meet the requirements of UNDP and UNFPA. It should, however, be noted that, since the precise location has not been finalized, a number of related operational requirements, such as those for utilities, initial infrastructure repair, and maintenance costs and security, will have a further impact on the cost estimates. The working group thus concluded that an important issue still to be finalized is the building complex that would be occupied by UNDP and UNFPA.

18. The working group also identified a series of other issues that would require further elaboration at the appropriate time. These include those relating to the capacity of schools to accommodate the requirements of UNDP and UNFPA, housing availability, local and regional recruitment requirements, and local health and medical insurance arrangements.

19. Finally, in addition to the issues and costs addressed by the study, a number of other, largely non-quantifiable, factors were identified. They are: (a) the potential disruption of the normal work flow during the transition period and beyond; (b) the impact on the continuity of programme, financial and administrative operations where, in particular, a large part of the institutional memory rests on key, senior-level General Service staff who may not relocate; (c) the relationship and synergy between UNDP and UNFPA and the North-American-based United Nations organizations; (d) the changes in working contacts with Governments of Member States now available through the Permanent Missions to the United Nations in New York; (e) the changes in opportunities for coordination, now available because of the venue in New York of a large number of meetings and secretariats of relevant United Nations legislative and governing bodies and their subcommittees; (f) the human resource and personnel issues i.e., the impact on staff members who would relocate as well as those who would not relocate, such as the need to re-establish, to work and to live in a German-speaking environment, and the potential disruption to livelihood for those staff members who would not or could not relocate for personal or other reasons; and (g) implications for UNDP and UNFPA that might arise from the ongoing restructuring process.

20. The results of the working group's review indicate that total transition costs would vary from $88 million to $125 million. These comprise (a) personnel costs, calculated on the basis of existing Staff Regulations and Rules, and include a possible additional ex gratia payment, outside the Staff Regulations and Rules, for General Service staff members not relocating to Bonn and (b) non-staff costs, consisting of the net replacement cost of furniture, equipment and computer hardware; estimated requirements for buy-outs from existing leases; the cost of establishing a provisional office in Bonn; New York-based rent during the transition period; transfer of office records; and (c) an amount for contingency costs (10 per cent of the total).

21. As regards recurrent expenditure, based on the assumption that the real cost differential between New York and Bonn does not significantly change (in line with paragraphs 16 above and 33 below), indications are that there could be an annual net savings ranging from approximately $10.1 million to $14.4 million, which represents about 4.1 per cent to 4.9 per cent of the total administrative budget expenditures in 1992. This consists largely of gross savings in rent,

United States income tax, health insurance subsidies and travel costs, minus additional costs for post adjustments, education grants, supplies and equipment, utilities, communications, legal and security services and a New York liaison office.

II. ASSUMPTIONS

22. Summarized below are the major assumptions made relating to transition costs and recurrent expenditure.

A. Assumptions pertaining to transition costs

23. Personnel costs for the transition phase have been calculated on the basis of the rates and allowances in effect in December 1992.

24. General Service staff would be provided with the relevant transfer and settling-in allowances related to reassignment in order to facilitate their relocation; however, they would not be eligible for status as internationally recruited staff. Nevertheless, it is assumed that there would be no legal impediment for all staff to relocate to Germany.

25. The working group identified the need for additional temporary assistance in New York during the transition period to ensure that normal operational services would continue to be provided relatively smoothly. Since the exact scope and extent of such requirements can be worked out only when a detailed transition plan has been prepared, it was not possible, at the time of the study, to include a cost/resource requirement for this purpose.

26. UNDP and UNFPA would have to establish a provisional office in Bonn before the proposed move there in 1996. The main responsibilities of such an office would include space planning, allocation and occupancy; the coordination of office furniture and equipment; the establishment of administrative services and facilities to support the UNDP and UNFPA office complex; the solving of capacity issues related to housing and schooling; and a start on the recruitment and training of General Service staff.

27. UNDP and UNFPA currently lease five buildings in New York, of which three have leases that extend beyond 1 January 1996, namely, the Daily News building, the Forty-fifth street building and DC-1. If any of the leases have to be terminated as a result of the move, it is likely that UNDP and UNFPA would incur some buy-out costs. The buy-out amounts included are the maximum possible costs equivalent to the full rental for the remaining period after 1 January 1996. No reduction through subletting or releasing possibilities is assumed.

28. Some UNDP and UNFPA staff not moving to Bonn would be eligible, under the staff regulations and rules, for a termination indemnity. The termination indemnity included in the cost estimates for Professional and General Service staff is based on entitlements defined in accordance with the Staff Regulations and Rules. Since, in line with paragraph 12 above, a large percentage of General Service staff members may not relocate to Bonn, and considering the likely difficulty of placing them with other United Nations organizations in

New York, it is assumed that an additional ex gratia payment for these staff members would be justified.

29. UNDP and UNFPA would need to replace the existing office furniture, equipment and computer hardware, including their mainframe computer configurations.

30. Finally, it should be noted that, for contingency purposes, an amount equivalent to 10 per cent of the estimated transition costs is included.

B. Assumptions pertaining to recurrent expenditures

31. In view of the difficulty of forecasting the exact numbers of staff as of 1 January 1996, the numbers of staff used as a basis for preparing the cost estimates is the approved staffing for 1992, namely:

	Professional	General Service	Total
UNDP (including OPS)	520	714	1 234
UNFPA	109	137	246
UNV	36	62	98
UNDP Geneva	8	8	16
TOTAL	673	921	1 594

32. The offer of the Government of Germany to UNDP and UNFPA, as announced at the thirty-ninth session of the Governing Council (May 1992), was for rent-free accommodation in Bonn. Subsequent discussions with government officials indicated that the offer would also include the maintenance of the buildings i.e., major repairs or adjustments to the building premises and related fixtures, such as elevators, heating systems and windows. Since UNDP and UNFPA would still have to continue with other elements of maintenance i.e., cleaning, carpeting repairs, and changes to internal fixtures as required, it was assumed that there would be no significant change to the costs currently being incurred in New York for such purposes.

33. Notwithstanding the assumption in paragraph 32 above, the Governing Council should be aware that, subsequent to the offer of the German Government, UNDP and UNFPA have been approached with suggestions of alternative possible options should the two organizations remain in New York. The cost of rent for these options are lower than those currently paid by UNDP and UNFPA. However, it was considered inappropriate to use these potentially lower rents in assessing estimated recurrent expenditure implications because: (a) the basis of the comparisons for the exercise was actual 1992 costs; (b) there was no firm development regarding such offers at the time the present study was being undertaken; and (c) other cost implications of such offers could not be determined at this stage.

34. Since the venue of the Governing Council is the subject for separate discussions at its fortieth session (June 1993), no change is assumed in the

current venue arrangements. Thus, only the additional costs that would be incurred in holding Governing Council sessions in New York and Geneva are included under the travel costs item. However, the Governing Council should be aware that, if there is any change in the venue, there may be budgetary implications for the United Nations Secretariat. This would need further review and estimation, at the appropriate time.

35. While examining Bonn housing costs, the working group assessed the possibility of determining the housing rental subsidy to staff members that UNDP and UNFPA would incur. Since rental subsidy entitlements are based on the specific accommodation actually occupied by staff members, it was not possible to estimate them accurately without undertaking a detailed survey of staff requirements for housing in Bonn. However, for indicative purposes only, a general estimate, based on rates calculated by the International Civil Service Commission (ICSC) for Bonn was made on the assumption that all Professional staff would be entitled to receive a rental subsidy for the first year after a move to Bonn.

36. The working group determined that UNDP and UNFPA would need to establish a liaison office in New York. A tentative provision is accordingly made for this purpose.

37. Since some common services will likely continue to be provided by the United Nations Secretariat to UNDP and UNFPA, such as those of the Board of Auditors, the Joint Staff Pension Fund, the Joint Appeals Board, and Payroll, it was assumed that a proposed move to Bonn would not result in any additional reimbursement to the United Nations Secretariat for these services.

38. There are, however, services currently provided to UNDP and UNFPA by the United Nations Secretariat that may likely be no longer continued or at least not continued in their current form if the organizations were to relocate to Bonn. Notwithstanding that a more precise determination of security service requirements will be needed in line with paragraph 17 above, the working group identified and included some initial estimated additional costs, based on a preliminary review of the different possible building sites and their configurations. For other services, such as conference, translation and interpretation, legal, pouch, language training, shipping, medical and computer services, a determination would still need to be made of the requirements if the services currently provided by the United Nations Secretariat were taken over by UNDP and UNFPA in Bonn. For the time being, therefore, it is assumed that the costs for such services would not differ significantly from the amount reimbursed to the United Nations Secretariat in 1992.

39. There is an indication from some experience that the establishment of a United Nations office in a given location may increase the cost of living there. This includes such effects as the impact on local housing prices. Given the difficulty of estimating this impact for 1996, at which point the effect of the eventual transfer of foreign mission and German government staff from Bonn may also be felt, no rate of increase is included. Therefore, any adjustments would need to be made at the appropriate time.

C. Other assumptions

40. In assessing the suitability of the building complexes in Bonn and for the calculations of space requirements only, the growth rate in numbers of staff is assumed to be 2.5 per cent per annum from 1996 onwards. This rate is based on the assumption currently being used by other United Nations organizations.

III. BUDGETARY, HUMAN RESOURCE, ADMINISTRATIVE AND LEGAL IMPLICATIONS

A. Overall budgetary implications

41. In summary, the budgetary implications of the proposed relocation of the headquarters of UNDP (including OPS), UNFPA, UNIFEM, UNV and the UNDP Geneva Office to Bonn, broken down by different groupings for each scenario, are as follows:

TRANSITION COSTS (millions of dollars)

Percentage of General Service staff relocating	All organizations and units moving	All organizations and units moving except OPS	Only UNDP and UNFPA hqs. moving
0	124.7	100.1	92.7
10	122.0	97.8	90.6
25	117.9	94.4	87.6

SAVINGS IN NET RECURRENT COSTS (millions of dollars)

Percentage of General Service staff relocating	All organizations and units moving	All organizations and units moving except OPS	Only UNDP and UNFPA hqs. moving
0	14.4	12.0	10.3
10	14.2	11.9	10.2
25	14.0	11.8	10.1

42. It should be noted that, with both UNDP and UNFPA based in New York, expenditure incurred against the headquarters administrative budgets is predominantly in United States dollars. Relocation to Bonn would result in a significant proportion of the expenditure being incurred in deutsche marks. Given that expenditure in deutsche marks will be greater than the amount of voluntary contributions received in deutsche marks, the cost of the administrative budget, in relation to total voluntary contributions, would be exposed to exchange rate fluctuations in the United States dollar: deutsche mark value.

43. In view of the implications of the issue identified in paragraph 42 above for the financial integrity of UNDP and UNFPA programmes, the working group concluded that both organizations would need to adopt a dual-currency (i.e., United States dollar and deutsche mark) administrative budget, as is the case for some European-based United Nations agencies.

B. Human resource and related budgetary implications

44. UNDP and UNFPA staff who relocate to Bonn would be eligible to receive the allowances for reassignment, as defined in the Staff Regulations and Rules. The estimated cost of these allowances are included in the transition-cost estimates; they range from $2 million to $3.3 million for travel, from $3.6 million to $6.3 million for the shipment of personal effects, and from $8.6 million to $13.9 million for assignment allowance and installation grants.

45. As outlined in paragraph 28 above, some UNDP and UNFPA staff not relocating to Bonn would be eligible for a termination indemnity. The estimated costs are included in the transition cost estimates; they range from $12.3 million to $21.6 million for the standard indemnity for General Service staff, from $12.3 million to $21.6 million for the possible additional ex gratia payment for General Service staff, and from $3.5 million to $4.4 million for the termination indemnity for Professional staff.

46. Notwithstanding paragraph 45 above, should there be a decision to move UNDP and UNFPA to Bonn, both organizations will clearly need to rely on the remainder of the United Nations system in New York to place as many as possible of those staff members not relocating. Termination costs and ex gratia payments will be reduced to the extent that staff not relocating are absorbed by the United Nations system.

47. In line with paragraph 12 above, UNDP and UNFPA will need to recruit and train a significant number of new General Service staff in Bonn. Depending on the number of staff to be recruited and trained, tentative estimated costs for this purpose, included in the transition costs, would range from $3.0 million to $5.4 million.

48. An assessment of General Service salary costs for Bonn was carried out through a preliminary multi-sector survey. Comparison of salary data for five firms in the Bonn area with current United Nations salaries in New York indicated a weighted average difference of -0.3 per cent for salaries in Bonn. The same survey indicated a weighted average difference of -36 per cent for Geneva-based staff. Assuming no change in the current United Nations workweek for New York, this amounts to a savings ranging from approximately $0.1 million to $0.9 million per annum; it is, therefore, included in the recurrent expenditure estimates.

49. In addition to analysing comparable salary levels for Bonn, the mission also assessed the availability of General Service staff with language (English or French) and technical skills. In both cases, local employers indicated little or no difficulty in finding such personnel. With respect to occupational skills, the full array of technical expertise expected for incumbents of UNDP

and UNFPA General Service posts is also found at comparable levels in employees in Bonn and the surrounding area.

50. The results of the limited survey conducted, therefore, indicate it is likely that the available pool of candidates in the Bonn/Cologne labour market will eventually be able to meet UNDP and UNFPA demand. However, some difficulty would clearly be encountered at the outset to staff fully the headquarters of UNDP and UNFPA. This could, however, be alleviated through recruitment from neighbouring European Community countries. In this connection, it was the view of the diplomatic community in Bonn that salary levels in Bonn would be sufficiently attractive to draw potential staff from the local European Community market with no additional compensation.

51. The International Civil Service Commission completed its place-to-place survey for Bonn in January 1992. Commodity price data was collected using global standard specifications. Housing data, compiled by ICSC, indicates gross monthly housing costs of $1,600 to $1,650 for two- and three-bedroom accommodation. This information coincided with housing data collected by the mission. As a result, in comparing the post adjustment level for Bonn with that for New York, the working group was of the view that the current Bonn post adjustment of 66.4 was an appropriate basis for comparison. On this basis, post-adjustment expenditure in Bonn would be greater than in New York by an amount ranging from $3 million to $3.6 million per annum. These amounts are, therefore, included in the recurrent expenditure estimates.

52. Currently, UNDP and UNFPA reimburse all employees who are United States citizens or permanent residents for United States income tax paid on their United Nations salaries or emoluments. The proposed move to Bonn would result in United States citizens and permanent residents being eligible to exclude foreign-earned income of $70,000 per annum from United States taxation. An accurate estimate of the amount of the reimbursement that would be incurred in Bonn is difficult to determine without a more detailed analysis. However, based on the reimbursements made for United States taxes in 1991 and taking into account the exclusion described above, the estimated savings ranges from $7.9 million to $9.5 million per annum in the United States income tax that would be reimbursed by UNDP and UNFPA; this amount is included in the recurrent expenditure estimates.

53. International schools in Bonn providing instruction in English and French were visited by the mission. The UNDP and UNFPA preliminary survey indicated a limited capacity in schools, especially at the elementary level and in the French High School. The possibility of expanding existing school capacity or even opening an international school, as well as the need to provide tuition in Spanish, may require further examination with the German authorities, at the appropriate time. In addition, another related issue that was not explored but which would require further identification and elaboration is the availability and cost of day-care facilities. Finally, the Governing Council should be aware that there would some implications for those General Service staff members choosing to relocate from New York but whose children may not, because of language limitations, be able to attend the public school system in Germany as they do in the United States.

54. It was assumed that a significant proportion of staff members with children would want to have their children educated in English. This would result in an increase in the number of staff members eligible to receive an education grant. In addition, the working group's analysis showed that the cost of education in Bonn would, on average, be greater than in New York. Taking both these factors into account, it was estimated that the education grant costs in Bonn would be $1.6 million to $1.9 million higher than in New York. This amount is included in the recurrent expenditure estimates.

55. Medical and dental insurance costs and subsidy rates applicable in Europe were obtained from the Insurance Section of the United Nations Secretariat. Based on a comparison of the European rates with the insurance subsidy incurred by UNDP and UNFPA in New York, an estimated savings ranging from $2 million to $2.4 million per annum is included in the recurrent expenditure estimates.

56. Since the German Government health and social security scheme is statutory, UNDP and UNFPA would be required to obtain an exemption from the obligation to participate in it. However, to the extent that this would be provided or chosen as one option, the possibility of a waiver of the employer's contribution would also need to be explored. It should be noted that this would be the subject of further discussion and incorporation into the host country agreement that would be entered into with the Government of Germany.

57. In line with paragraph 35 above, the rental subsidy calculations indicate that the subsidy payable to Professional staff during the first year in Bonn would be greater than that currently paid in New York by an amount ranging from $0.5 million to $0.7 million. In line with the rental subsidy scheme and as staff decide to purchase rather than to rent accommodation, it is likely that this recurrent cost will decrease over time; however, for the purposes of the present study, the cost increase for the first year is included.

58. With respect to general local conditions, it would seem that there are no legal restrictions on the purchase of property by UNDP and UNFPA staff in Germany. The Government has also indicated that work permits for UNDP and UNFPA spouses and children should present no difficulty. Nevertheless, it should be noted that while there may be no major legal impediment for spouses to work, accommodating all requirements for spouse employment in the initial phase of the move may prove to be difficult. Furthermore, it would be necessary for working spouses to be proficient in German to pursue job opportunities realistically in the Bonn/Cologne labour market. Language training, therefore, must be considered as a primary element not only for staff but for family members in the transition from New York to Bonn.

59. It has been indicated by the Government of Germany that there should exist no restrictions to UNDP and UNFPA staff retiring in Germany. In this regard, it should also be noted that the tax regime applicable in Germany to United Nations pensions effectively taxes about 26 per cent to 29 per cent of the pension annuity. In the United States, 100 per cent of the pension annuity is taxable.

60. The working group also undertook a preliminary review of training services available in Bonn. It found that language and information systems training in English are available through the Adult Education Network in Bonn, at a nominal cost. In addition, a number of organizations in the private sector provide

training to the diplomatic community in Bonn. Given the difficulty in determining the exact profile of specific ongoing training requirements of UNDP and UNFPA in Bonn, the recurrent expenditure implications, over and above those related to the initial recruitment of new staff, have not been addressed nor are they included in the cost estimates.

C. Administrative and related budgetary implications

61. There were no conference facilities for major meetings in any of the building complexes visited by the mission to Bonn that would be possible options for the location of UNDP and UNFPA. The working group identified two commercially operated conference centres that could provide the necessary facilities, including those for simultaneous interpretation, should the Governing Council decide to hold some of its formal sessions in Bonn: the Beethovenhalle and the Maritim. However, it should be noted that UNDP and UNFPA would need to draw on the United Nations conference personnel roster for translation and interpretation needs. In line with paragraph 38 above, no additional costs for these purposes are included.

62. The establishment of a provisional office in Bonn could be foreseen to take place soon after a decision by the General Assembly to move UNDP and UNFPA to Bonn. The working group envisaged a need for 10 staff members at the initial stage, rising to 46 during the final months before transition. For the purposes of estimation only, a total amount of $3 million for the provisional office is included in the transition cost estimates commencing 1 January 1994 and increasing in size until 1 January 1996.

63. The working group identified two options available to UNDP and UNFPA with regard to office furniture, equipment and computer hardware. These were either to ship the existing items to Bonn or to procure new items at the time of the proposed move to Bonn. The working group's conclusion was that it would be more cost-effective and more practical and would avoid potential compatibility problems if new furniture, equipment and computer hardware were purchased in Bonn. The net replacement costs, i.e., new requirements less the resale value of existing items, range from $7.7 million to $10.2 million for office furniture, from $2.5 million to $3.5 million for office equipment, and from $5.8 million to $7.1 million for computer hardware; they are included in the transition cost estimate.

64. The working group obtained sample cost estimates in effect in Bonn in December 1992, for the procurement of office furniture and equipment, computer hardware and office supplies. These were compared to the costs of procuring similar items in New York. The comparison indicated increased costs of 29 per cent for office furniture, 37 per cent for office equipment, 15 per cent for computer hardware/networks and 2 per cent for supplies. Based on these comparisons, an amount of $0.7 million, covering the estimated additional costs for these items is included in the recurrent expenditure estimates. It should, nevertheless, be noted that if UNDP and UNFPA were to replace all existing items with new ones, upon the move to Bonn, it is unlikely that any further new office furniture, equipment and computer hardware would be needed in the initial few years. This would result in a lower level of recurrent expenditure for that period.

65. The working group reviewed the profile of business travel originating in New York and UNDP and UNFPA field offices world wide to New York, to the headquarters of United Nations specialized agencies in Europe and to UNDP field offices. This included official missions and travel for consultants. The cost of this travel, including daily subsistence allowance, was compared to the cost for a similar travel profile for both organizations if located in Bonn. The comparison indicated that there could be a savings to UNDP and UNFPA of some 11.8 per cent in travel costs per annum. The net savings, including travel to Governing Council meetings in New York, would amount to approximately $0.5 million and is included in the recurrent expenditure estimates.

66. The working group reviewed and used the present profile of UNDP and UNFPA telecommunications usage and compared the standard rate for communications originating in New York with the standard commercial rate in Germany. The comparison indicated that for a similar profile of communications originating in Bonn, with no negotiated price reduction, the cost would be some 47.7 per cent higher than in New York. The increased cost, which ranges from $1.4 million to $1.7 million is, therefore, reflected in the recurrent expenditure estimates.

67. The working group obtained the estimated costs per square foot for utilities, i.e., electricity and heating, in Bonn and compared them to the utility costs per square foot incurred in New York. The comparison indicated that for a similar utility usage in Bonn, the costs would be some 38 per cent higher than in New York. The increased cost of $0.5 million was, therefore, reflected in the recurrent expenditure estimates. It should be noted, however, that no additional assessment is made or included for water, sewage and disposal costs.

68. In line with paragraph 32 above, the savings for rent and maintenance, which range from $10 million to $12.4 million is included in the recurrent cost estimates.

69. In line with paragraph 27 above, a provisional amount, ranging from $5.2 million to $12.1 million is included in the transition costs for buy-out costs from existing leases for two buildings in New York. It should be noted that no buy-out costs were included for the DC-1 building since its lease expires in May 1996 and it was assumed that this building would continue to be used to ensure normal operations during the transition period.

70. A provision of approximately $0.5 million is included in the transition costs to cover the transfer of UNDP and UNFPA records to Bonn.

71. In line with paragraph 69 above, costs incurred in New York for office rent and maintenance for the transition period ranging from $5 million to $6.2 million is included in the transition costs.

72. In line with paragraph 38 above, a provision of $1.2 million for additional costs is included in the recurrent expenditure estimates to cover the provision of security services.

73. A preliminary provision of $0.9 million was included in the recurrent expenditure estimates for a liaison office for both UNDP and UNFPA in New York. This is made up of a total of 5 Professional and 4 General Service staff.

D. Legal implications

74. A host country agreement would have to be entered into between UNDP and UNFPA and the Government of Germany. In this respect, UNDP and UNFPA would expect the agreement to reflect arrangements not less favourable than those obtained in the agreements with Switzerland and Austria governing the legal status of the United Nations European Offices located in Geneva and Vienna.

75. The Office of Legal Affairs of the United Nations Secretariat has indicated that the proposed host country agreement should regulate, in particular, the following matters:

(a) Definition of the headquarters district;

(b) Juridical personality of the United Nations offices in Bonn;

(c) Law and authority in the headquarters district;

(d) Protection of the headquarters district;

(e) Transit;

(f) Public services;

(g) Freedom from taxation;

(h) Social security and pension fund;

(i) Privileges and immunities of representatives of Member States;

(j) Privileges and immunities of United Nations officials;

(k) Privileges and immunities of experts on mission;

(l) Possible establishment of a commissary;

(m) Settlement of disputes;

(n) Matters relating to the operation of the agreement and supplemental agreements.

76. In this context, consideration will also have to be given to whether the proposed relocation may entail accreditation of permanent missions of Member States in Bonn.

77. UNDP and UNFPA would also need to enter into an agreement with Germany, which would form an integral part of the host country agreement, concerning the use, occupation, and maintenance of the premises.

78. The Office of Legal Affairs has indicated that since it is not possible, at this stage, to determine the precise implications for effective continuity of the provision of legal services to UNDP and UNFPA, adequate financial arrangements may have to be made, at a later date, for this purpose.

79. Over and above the buy-out costs referred to in paragraph 69 above, there may also be legal implications in respect of leases that are due to expire after the date of the proposed move and the rights, if any, of UNDP to terminate the leases early, or to assign the leases or sublet the premises to other parties.

IV. SUMMARY AND CONCLUSIONS

80. In summary, the broad findings of the working group are as follows:

(a) There would be major human resource implications of a move to Bonn;

(b) There are some programme-related implications that have not been fully identified or elaborated on;

(c) There are some other implications, related to continuity of normal operations, that have not been fully identified or elaborated on;

(d) A whole range of other issues and implications, listed in sections B and C of annex I to the present document, were identified that would require greater or further study and elaboration;

(e) There are a number of constraints in the assumptions made which could have some impact on costs but which could either not be dealt with at this stage or for which data is not available. This refers particularly to services currently being provided by the United Nations Secretariat to UNDP and UNFPA and the related impact on the United Nations budget. Adequate additional financial arrangements may have to be made to enable these services to be continued effectively;

(f) Should the General Assembly decide to move UNDP and UNFPA to Bonn, it will be important to plan well ahead and, for this purpose, it is likely that there will be additional cost and resource implications for the existing administrative budgets and staffing configurations of each organization;

(g) The German offer will require further elaboration and confirmation, regarding, inter alia, the specific building or alternative options;

(h) The transition costs, in 1992 prices and at December 1992 exchange rates, and with the limitations mentioned above, would range from $88 million to $125 million, depending on the scenario and assumptions used;

(i) A move to Bonn could result in some possible savings in recurrent expenditure. Initial calculations, at 1992 prices and exchange rates, suggests these would range from $10.1 million to $14.4 million per annum. This represents about 4.1 per cent to 4.9 per cent of the 1992 administrative budget expenditures. With this in mind and taking into account the potential impact of exchange rate fluctuations, those items not costed out, improved New York options for the rental of buildings, lower New York-based costs, and the possibility of an increase in the cost of living based on the past experience of relocating United Nations organizations, the calculation of net recurrent costs savings could vary from those indicated in the present report;

(j) Finally, additional implications that might arise from the ongoing restructuring process would need to be considered at the appropriate time.

Annex I

Bonn Working Group: Issues/Questions

Phases	Issues/Questions/Costing estimations	Paragraph reference
A. By June 1993 Governing Council	1. Exchange rate implications: unit of account	13, 16, 42, 43
	2. Availability and cost of conference centres and related facilities in Bonn	7, 8, 61
	3. Availability and related costs of suitable space to accommodate current and projected needs, including specifications relating to configuration, lay-out, security requirements, maintenance and servicing, cafeteria, archives, common premises (with UNHCR), satellite communications, telephone switchboard, mainframe, etc.	17, 32, 40, 61, 71
	4. Identify options for organizational units moving and not moving: develop scenarios	11
	5. Identify indicative options for proportion of staff relocating and not relocating: develop scenarios	12
	6. Location and costs re: OPS, UNFPA, UNV and UNDP Geneva	15, 41, Annex II to XI
	7. Obtain information on schooling, housing, utilities, transportation facilities etc. in Bonn	7, 8, 18, 56, 66 to 67
	8. Obtain German price indices	7, 8
	9. Obtain sample Standard Basic Agreements of United Nations specialized agencies in Europe and other information related to the move of UNIDO from New York to Vienna	3, 4
	10. Estimate cost of liaison office for UNDP and UNFPA in New York	36, 73
	11. Identify indicative costs and requirements for advance office in Bonn	26, 62
	12. Identify and cost office furniture, equipment and computer hardware requirements in Germany	8, 29, 63 to 64

Phases	Issues/Questions/Costing estimations	Paragraph reference
	13. Cost and implications of buy-out from existing leases: Daily News/OPS (1999); FF (1997); DC-1, + Double rent during transition period	27, 69
	14. Availability and cost of housing in Bonn	7, 8, 18
	15. Obtain Bonn local telephone cost rates	7, 8
	16. Review medical/dental insurance arrangements/schemes in Germany	8, 55 to 56
	17. Availability and cost of schooling in English and French in Bonn and surrounding area	7, 8, 53 to 54
	18. Availability of qualified office workers/local staffing: English/French/ Spanish proficiency in Bonn and surrounding area	8, 49 to 50
	19. Estimate recruitment and training costs for new General Service staff	47
	20. Determine training needs for new General Service staff and identify training availability	8, 60
	21. Field a mission to Bonn to confirm data collected, review facilities, etc. and elaborate on issues	8
	22. Liaison with United States and German Missions to the United Nations	5
	23. Undertake General Service salary and DSA survey	8, 48
	24. Identify other issues related to the offer i.e., programme implications, etc.	19
	25. Estimate rental subsidy and include in costs	35
	26. Estimate costs for security services	72
	27. Identify employment possibilities for spouses and children	58
	28. Estimate travel costs differentials	65
	29. Estimate utility and telecommunications costs differentials	66 to 68

Phases	Issues/Questions/Costing estimations	Paragraph reference
	30. Estimate costs of transfer of records	70
	31. Identify legal issues	74 to 79
	32. Summarize possible range of indicative transition costs	14, 20, 23 to 30, 41, 44 to 45, 47, 62 to 63, 69 to 71
	33. Summarize possible range of indicative net change recurrent costs	14, 21, 31 to 38, 40, 47, 50 to 51, 53 to 54, 63 to 67, 70 to 73
	34. Identify special power supply requirements	8
	35. Confirmation from German authorities that transition costs, as defined by study, as well as recurrent maintenance costs, meet with their own understanding and offer	Being pursued
B. After June 1993 Governing Council	1. Confirm no legal impediment for all staff who relocate to Bonn.	
	2. Confirm venue of the Governing Council re: New York/Geneva ... Bonn	
	3. Clarify legal status in Germany for children, spouses, widows/ers and retiring staff	
	4. Discuss legal parameters for employment in Germany by spouses and children of staff members	
	5. Discuss conditions and legal arrangements for local hiring of non-German support staff	
	6. Confirm transferability of pension rights for German staff recruited in Bonn	
	7. Explore legal aspects of property purchase rights in Germany for all staff members	

Phases	Issues/Questions/Costing estimations	Paragraph reference
	8. Discuss legal implications in the United States, including visa status, for staff members who do not relocate, but who are non-United States citizens	
	9. Discuss legal parameters in Germany, including issue of visas, for staff members' household employees	
	10. Undertake further costing review and analysis for: services currently provided by United Nations Secretariat but which will not continue to be provided	
	11. Undertake further costing and review of implications/logistics for those services to be continued to be received from the United Nations Secretariat	
	12. Identify specific requirements for continued legal services from the United Nations Secretariat to office in Bonn	
	13. Further elaborate on rental subsidy in Bonn and identify changes to cost estimates accordingly	
	14. Identify other rental options in New York/United States and elaborate on cost implications and impact	
	15. Identify and cost likely temporary assistance requirements	
	16. Identify language training requirements and costs	
	17. Identify implications for United Nations budget re: reimbursement for services rendered to UNDP/UNFPA	
	18. Further elaborate on specific offer by Germany, including building complex options and assess further resources and costs and other related implications	
	19. Update security service requirements, based on firm decision of which complex/building identified	
	20. Undertake missions to Bonn to further elaborate implications and update costing exercise	

Phases	Issues/Questions/Costing estimations	Paragraph reference
	21. Identify Staff Council concerns and issues: undertake survey/revise assumptions and costs accordingly	
	22. Identify additional costs, if any, for preparation of the move following General Assembly decision and include in transition costs	
	23. Explore issue and costs related to day-care facilities and local schooling options for non-German-speaking General Service staff families who relocate from New York	
	24. Explore further implications of buy-out from leases continuing after 1 January 1996, including options for subletting, etc.	
	25. Further clarify options for other costs in Bonn i.e., utilities, telecommunications, cleaning services, etc.	
	26. Clarify legal parameters regarding import rights for internationally recruited staff	
	27. Update study: costing basis and implications, including revised prices and exchange rates	
C. In the event of a positive decision by the General Assembly, during transition/ implementation	1. Set-up of space, equipment, telex, telephone facilities, lan wiring, mainframe, reconstruction required, etc.	
	2. Develop service, maintenance contracts	
	3. Develop and negotiate host country agreement	
	4. Develop agreement between UNDP and Germany re: use of land, buildings and adjoining properties	
	5. Identify availability of hotel space in Bonn for transition period	

Phases	Issues/Questions/Costing estimations	Paragraph reference
	6. Further elaborate on availability and cost of specialized skills locally in English/French: e.g., accountants; management information systems	
	7. Undertake further discussions with German authorities, missions to Bonn, etc.	
	8. Obtain clearance from Office of Legal Affairs on agreements, contracts, clauses, documents, and other legal issues	
	9. Develop master plan for move to Bonn	
	10. Put together a negotiating and organization and method team and identify related costs	
	11. Alter investment strategy, establish dual currency budget, review need for contingency for operational reserve	
	12. Establish transitional office, commence sorting logistical issues re: schooling; housing; transfer of records; recruitment; training; medical/health insurance arrangements, etc.	
	13. Revise implications, assumptions and costs, especially those related to transition	
	14. Identify more precise termination packages and requirements	
	15. Update study: costing basis and implications	
	16. Work closely with New York-based agencies re: absorbing staff from UNDP/UNFPA who do not relocate	

Annex II

BUDGETARY IMPLICATIONS

Table 1. Summary of tables 2-10

ORGANIZATIONS MOVING TO BONN		
All organizations and units UNDP, UNFPA, OPS UNV, Geneva Office	All organizations and units except OPS	UNDP, UNFPA only

(Thousands of United States dollars, based on 1992 prices and costs)

	PERCENTAGE GS STAFF MOVING: 0%		
TRANSITION COSTS			
Personnel costs	70,628	59,300	54,555
Non-staff costs	54,106	40,784	38,190
TOTAL	124,734	100,084	92,745
NET CHANGE IN RECURRENT EXPENDITURE			
Personnel costs	(6,477)	(5,848)	(4,694)
Non-staff costs	(7,878)	(6,192)	(5,642)
TOTAL	(14,355)	(12,040)	(10,336)

	PERCENTAGE GS STAFF MOVING: 10%		
TRANSITION COSTS			
Personnel costs	68,099	57,208	52,647
Non-staff costs	53,853	40,574	37,999
TOTAL	121,952	97,782	90,646
NET CHANGE IN RECURRENT EXPENDITURE			
Personnel costs	(6,348)	(5,760)	(4,614)
Non-staff costs	(7,878)	(6,192)	(5,642)
TOTAL	(14,226)	(11,952)	(10,256)

	PERCENTAGE GS STAFF MOVING: 25%		
TRANSITION COSTS			
Personnel costs	64,439	54,175	49,865
Non-staff costs	53,487	40,271	37,721
TOTAL	117,926	94,446	87,586
NET CHANGE IN RECURRENT EXPENDITURE			
Personnel costs	(6,150)	(5,614)	(4,482)
Non-staff costs	(7,878)	(6,192)	(5,642)
TOTAL	(14,028)	(11,806)	(10,124)

Note: Parenthesis indicate decrease in recurrent expenditure.

Annex II (continued) Table 2

PERCENTAGE OF STAFF MOVING		ORGANIZATIONS and UNITS MOVING:	
		UNDP	UNV
PROFESSIONAL	90%	OPS	GENEVA
GENERAL SERVICE	NONE	UNFPA	

TRANSITION COSTS

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Assignment grant (Prof.& GS)	6,831	1,494	1,743	569	69	10,707
Re-assignment shipping costs (P&GS)	2,903	635	741	242	29	4,550
Termination indemnity (Prof)	2,805	587	718	261	32	4,403
Termination indemnity (GS)	13,139	3,673	3,226	1,460	94	21,593
Ex-gratia payment (GS)	13,139	3,673	3,226	1,460	94	21,593
Reassignment travel	1,607	352	410	44	5	2,418
Recruitment and training of new staff	3,264	913	801	363	23	5,364
PERSONNEL COSTS TOTAL	43,689	11,327	10,865	4,398	347	70,627
NON STAFF COSTS						
Office rent (New York & Geneva)	3,640	922	1,370	275		6,207
Buy-out of leases	5,216	6,870				12,087
Transfer of records to Bonn	375	100	88	75	7	645
Office furniture	6,074	1,526	1,638	877	81	10,197
Computer hardware/software	4,158	959	1,611	378	35	7,141
Office equipment	2,157	704	393	182	17	3,452
Advance office in Bonn	1,951	427	498	163		3,038
Contingency						11,339
NON STAFF COSTS TOTAL	23,571	11,508	5,598	1,949	140	54,106
TOTAL TRANSITION COSTS	67,260	22,835	16,464	6,347	487	124,733

Increase/(decrease) in RECURRING EXPENDITURE

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Post adjustment (Professional)	2,794	618	637	(421)	(51)	3,577
Education grant (P&GS)	1,362	321	257	n/c	n/c	1,939
Income tax (P&GS)	(6,612)	(1,342)	(1,536)	n/c	n/c	(9,490)
Rental subsidy	282	119	260	94		755
Insurance subsidy (P&GS)	(1,651)	(324)	(400)	n/c	n/c	(2,375)
Salary, pension, dep. allow. (GS)	(70)	(20)	(17)	(730)	(47)	(884)
PERSONNEL COSTS TOTAL	(3,894)	(629)	(800)	(1,056)	(98)	(6,477)
NON STAFF COSTS						
Office rent	(7,279)	(1,844)	(2,740)	(550)		(12,413)
Utility cost*						477
Telephone/Telex/E-Mail	1,146	286	274	n/c	n/c	1,706
Travel	(361)	(158)	(11)	n/c	n/c	(530)
Office equipment, furniture, computers*						746
Security*						1,232
New York liaison office*	491		413			904
NON STAFF COSTS TOTAL	(6,003)	(1,716)	(2,064)	(550)		(7,878)
TOTAL RECURRING EXPENDITURE	(9,898)	(2,344)	(2,864)	(1,606)	(98)	(14,355)

NOTES: n/c assumes no change in this category of recurrent expenditure; * Costs not apportioned by organization

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Annex II (continued) Table 3

PERCENTAGE OF STAFF MOVING			ORGANIZATIONS and UNITS MOVING:	
			UNDP	UNV
PROFESSIONAL	90%		OPS	GENEVA
GENERAL SERVICE	10%		UNFPA	

TRANSITION COSTS

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Assignment grant (Prof.& GS)	7,612	1,717	1,939	653	79	12,000
Re-assignment shipping costs (P&GS)	3,326	756	847	287	35	5,251
Termination indemnity (Prof)	2,805	587	718	261	32	4,403
Termination indemnity (GS)	11,821	3,297	2,896	1,319	85	19,418
Ex-gratia payment (GS)	11,821	3,297	2,896	1,319	85	19,418
Reassignment travel	1,841	419	469	52	6	2,787
Recruitment and training of new staff	2,937	819	720	328	21	4,824
PERSONNEL COSTS TOTAL	42,163	10,891	10,484	4,218	343	68,100
NON STAFF COSTS						
Office rent (New York & Geneva)	3,640	922	1,370	275		6,207
Buy-out of leases	5,216	6,870				12,087
Transfer of records to Bonn	375	100	88	75	7	645
Office furniture	6,074	1,526	1,638	877	81	10,197
Computer hardware/software	4,158	959	1,611	378	35	7,141
Office equipment	2,157	704	393	182	17	3,452
Advance office in Bonn	1,951	427	498	163		3,038
Contingency						11,087
NON STAFF COSTS TOTAL	23,571	11,508	5,598	1,949	140	53,853
TOTAL TRANSITION COSTS	65,734	22,399	16,082	6,167	484	121,953

Increase/(decrease) in RECURRING EXPENDITURE

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Post adjustment (Professional)	2,794	618	637	(421)	(51)	3,577
Education grant (P&GS)	1,362	321	257	n/c	n/c	1,939
Income tax (P&GS)	(6,524)	(1,323)	(1,514)	n/c	n/c	(9,361)
Rental subsidy	282	119	260	94		755
Insurance subsidy (P&GS)	(1,651)	(324)	(400)	n/c	n/c	(2,375)
Salary, pension, dep. allow. (GS)	(70)	(20)	(17)	(730)	(47)	(884)
PERSONNEL COSTS TOTAL	(3,807)	(609)	(777)	(1,056)	(98)	(6,348)
NON STAFF COSTS						
Office rent	(7,279)	(1,844)	(2,740)	(550)		(12,413)
Utility cost*						477
Telephone/Telex/E-Mail	1,146	286	274	n/c	n/c	1,706
Travel	(361)	(158)	(11)	n/c	n/c	(530)
Office equipment, furniture, computers*						746
Security*						1,232
New York liaison office*	491		413			904
NON STAFF COSTS TOTAL	(6,003)	(1,716)	(2,064)	(550)		(7,878)
TOTAL RECURRING EXPENDITURE	(9,810)	(2,325)	(2,842)	(1,606)	(98)	(14,226)

NOTES: n/c assumes no change in this category of recurrent expenditure; * Costs not apportioned by organization

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Annex II (continued) Table 4

PERCENTAGE OF STAFF MOVING		ORGANIZATIONS and UNITS MOVING:	
		UNDP	UNV
PROFESSIONAL	90%	OPS	GENEVA
GENERAL SERVICE	25%	UNFPA	

TRANSITION COSTS

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Assignment grant (Prof.& GS)	8,783	2,038	2,217	792	96	13,927
Re-assignment shipping costs (P&GS)	3,961	930	998	363	44	6,296
Termination indemnity (Prof)	2,805	587	718	261	32	4,403
Termination indemnity (GS)	9,866	2,755	2,425	1,107	71	16,225
Ex-gratia payment (GS)	9,866	2,755	2,425	1,107	71	16,225
Reassignment travel	2,193	515	552	66	8	3,334
Recruitment and training of new staff	2,451	684	603	275	18	4,031
PERSONNEL COSTS TOTAL	39,926	10,264	9,939	3,970	340	64,440
NON STAFF COSTS						
Office rent (New York & Geneva)	3,640	922	1,370	275		6,207
Buy-out of leases	5,216	6,870				12,087
Transfer of records to Bonn	375	100	88	75	7	645
Office furniture	6,074	1,526	1,638	877	81	10,197
Computer hardware/software	4,158	959	1,611	378	35	7,141
Office equipment	2,157	704	393	182	17	3,452
Advance office in Bonn	1,951	427	498	163		3,038
Contingency						10,721
NON STAFF COSTS TOTAL	23,571	11,508	5,598	1,949	140	53,487
TOTAL TRANSITION COSTS	63,497	21,772	15,537	5,919	480	117,927

Increase/(decrease) in RECURRING EXPENDITURE

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Post adjustment (Professional)	2,794	618	637	(421)	(51)	3,577
Education grant (P&GS)	1,362	321	257	n/c	n/c	1,939
Income tax (P&GS)	(6,390)	(1,294)	(1,480)	n/c	n/c	(9,163)
Rental subsidy	282	119	260	94		755
Insurance subsidy (P&GS)	(1,651)	(324)	(400)	n/c	n/c	(2,375)
Salary, pension, dep. allow. (GS)	(70)	(20)	(17)	(730)	(47)	(884)
PERSONNEL COSTS TOTAL	(3,673)	(580)	(743)	(1,056)	(98)	(6,150)
NON STAFF COSTS						
Office rent	(7,279)	(1,844)	(2,740)	(550)		(12,413)
Utility cost*						477
Telephone/Telex/E-Mail	1,146	286	274	n/c	n/c	1,706
Travel	(361)	(158)	(11)	n/c	n/c	(530)
Office equipment, furniture, computers*						746
Security*						1,232
New York liaison office*	491		413			904
NON STAFF COSTS TOTAL	(6,003)	(1,716)	(2,064)	(550)		(7,878)
TOTAL RECURRING EXPENDITURE	(9,676)	(2,296)	(2,807)	(1,606)	(98)	(14,028)

NOTES: n/c assumes no change in this category of recurrent expenditure; * Costs not apportioned by organization

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Annex II (continued) Table 5

PERCENTAGE OF STAFF MOVING		ORGANIZATIONS and UNITS MOVING:
		UNDP UNV
PROFESSIONAL	90%	GENEVA
GENERAL SERVICE	NONE	UNFPA

TRANSITION COSTS

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Assignment grant (Prof.& GS)	6,831		1,743	569	69	9,213
Re-assignment shipping costs (P&GS)	2,903		741	242	29	3,915
Termination indemnity (Prof)	2,805		718	261	32	3,816
Termination indemnity (GS)	13,139		3,226	1,460	94	17,919
Ex-gratia payment (GS)	13,139		3,226	1,460	94	17,919
Reassignment travel	1,607		410	44	5	2,066
Recruitment and training of new staff	3,264		801	363	23	4,452
PERSONNEL COSTS TOTAL	43,689		10,865	4,398	347	59,300
NON STAFF COSTS						
Office rent (New York & Geneva)	3,640		1,370	275		5,285
Buy-out of leases	5,216					5,216
Transfer of records to Bonn	375		88	75	7	545
Office furniture	6,074		1,638	877	81	8,671
Computer hardware/software	4,158		1,611	378	35	6,182
Office equipment	2,157		393	182	17	2,748
Advance office in Bonn	2,270		579	189		3,038
Contingency						9,099
NON STAFF COSTS TOTAL	23,890		5,680	1,975	140	40,784
TOTAL TRANSITION COSTS	67,579		16,545	6,374	487	100,084

Increase/(decrease) in RECURRING EXPENDITURE

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Post adjustment (Professional)	2,794		637	(421)	(51)	2,959
Education grant (P&GS)	1,362		257	n/c	n/c	1,618
Income tax (P&GS)	(6,612)		(1,536)	n/c	n/c	(8,148)
Rental subsidy	282		260	94		636
Insurance subsidy (P&GS)	(1,651)		(400)	n/c	n/c	(2,050)
Salary, pension, dep. allow. (GS)	(70)		(17)	(730)	(47)	(864)
PERSONNEL COSTS TOTAL	(3,894)		(800)	(1,056)	(98)	(5,848)
NON STAFF COSTS						
Office rent	(7,279)		(2,740)	(550)		(10,569)
Utility cost*						477
Telephone/Telex/E-Mail	1,146		274	n/c	n/c	1,420
Travel	(361)		(11)	n/c	n/c	(372)
Office equipment, furniture, computers*						717
Security*						1,232
New York liaison office*	491		413			904
NON STAFF COSTS TOTAL	(6,003)		(2,064)	(550)		(6,192)
TOTAL RECURRING EXPENDITURE	(9,898)		(2,864)	(1,606)	(98)	(12,040)

NOTES: n/c assumes no change in this category of recurrent expenditure; * Costs not apportioned by organization

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Annex II (continued) Table 6

PERCENTAGE OF STAFF MOVING			ORGANIZATIONS and UNITS MOVING:	
			UNDP	UNV
PROFESSIONAL	90%			GENEVA
GENERAL SERVICE	10%		UNFPA	

TRANSITION COSTS

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Assignment grant (Prof.& GS)	7,612		1,939	653	79	10,283
Re-assignment shipping costs (P&GS)	3,326		847	287	35	4,495
Termination indemnity (Prof)	2,805		718	261	32	3,816
Termination indemnity (GS)	11,821		2,896	1,319	85	16,121
Ex-gratia payment (GS)	11,821		2,896	1,319	85	16,121
Reassignment travel	1,841		469	52	6	2,368
Recruitment and training of new staff	2,937		720	328	21	4,005
PERSONNEL COSTS TOTAL	42,163		10,484	4,218	343	57,208
NON STAFF COSTS						
Office rent (New York & Geneva)	3,640		1,370	275		5,285
Buy-out of leases	5,216					5,216
Transfer of records to Bonn	375		88	75	7	545
Office furniture	6,074		1,638	877	81	6,671
Computer hardware/software	4,158		1,611	378	35	6,182
Office equipment	2,157		393	182	17	2,748
Advance office in Bonn	2,270		579	189		3,038
Contingency						8,889
NON STAFF COSTS TOTAL	23,890		5,680	1,975	140	40,575
TOTAL TRANSITION COSTS	66,053		16,163	6,194	484	97,783

Increase/(decrease) in RECURRING EXPENDITURE

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Post adjustment (Professional)	2,794		637	(421)	(51)	2,959
Education grant (P&GS)	1,362		257	n/c	n/c	1,618
Income tax (P&GS)	(6,542)		(1,518)	n/c	n/c	(8,060)
Rental subsidy	282		260	94		636
Insurance subsidy (P&GS)	(1,651)		(400)	n/c	n/c	(2,050)
Salary, pension, dep. allow. (GS)	(70)		(17)	(730)	(47)	(864)
PERSONNEL COSTS TOTAL	(3,824)		(782)	(1,056)	(98)	(5,760)
NON STAFF COSTS						
Office rent	(7,279)		(2,740)	(550)		(10,569)
Utility cost*						477
Telephone/Telex/E-Mail	1,146		274	n/c	n/c	1,420
Travel	(361)		(11)	n/c	n/c	(372)
Office equipment, furniture, computers*						717
Security*						1,232
New York liaison office*	491		413			904
NON STAFF COSTS TOTAL	(6,003)		(2,064)	(550)		(6,192)
TOTAL RECURRING EXPENDITURE	(9,828)		(2,846)	(1,606)	(98)	(11,952)

NOTES: n/c assumes no change in this category of recurrent expenditure; * Costs not apportioned by organization

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Annex II (continued) Table 7

PERCENTAGE OF STAFF MOVING		ORGANIZATIONS and UNITS MOVING:
		UNDP UNV
PROFESSIONAL	90%	GENEVA
GENERAL SERVICE	25%	UNFPA

TRANSITION COSTS

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Assignment grant (Prof.& GS)	8,783		2,217	792	96	11,888
Re-assignment shipping costs (P&GS)	3,961		998	363	44	5,366
Termination indemnity (Prof)	2,805		718	261	32	3,816
Termination indemnity (GS)	9,866		2,425	1,107	71	13,470
Ex-gratia payment (GS)	9,866		2,425	1,107	71	13,470
Reassignment travel	2,193		552	66	8	2,819
Recruitment and training of new staff	2,451		603	275	18	3,346
PERSONNEL COSTS TOTAL	39,926		9,939	3,970	340	54,175
NON STAFF COSTS						
Office rent (New York & Geneva)	3,640		1,370	275		5,285
Buy-out of leases	5,216					5,216
Transfer of records to Bonn	375		88	75	7	545
Office furniture	6,074		1,638	877	81	8,671
Computer hardware/software	4,158		1,611	378	35	6,182
Office equipment	2,157		393	182	17	2,748
Advance office in Bonn	2,270		579	189		3,038
Contingency						8,586
NON STAFF COSTS TOTAL	23,890		5,680	1,975	140	40,271
TOTAL TRANSITION COSTS	63,816		15,618	5,946	480	94,447

Increase/(decrease) in RECURRING EXPENDITURE

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Post adjustment (Professional)	2,794		637	(421)	(51)	2,959
Education grant (P&GS)	1,362		257	n/c	n/c	1,618
Income tax (P&GS)	(6,425)		(1,489)	n/c	n/c	(7,913)
Rental subsidy	282		260	94		636
Insurance subsidy (P&GS)	(1,651)		(400)	n/c	n/c	(2,050)
Salary, pension, dep. allow. (GS)	(70)		(17)	(730)	(47)	(864)
PERSONNEL COSTS TOTAL	(3,708)		(752)	(1,056)	(98)	(5,614)
NON STAFF COSTS						
Office rent	(7,279)		(2,740)	(550)		(10,569)
Utility cost*						477
Telephone/Telex/E-Mail	1,146		274	n/c	n/c	1,420
Travel	(361)		(11)	n/c	n/c	(372)
Office equipment, furniture, computers*						717
Security*						1,232
New York liaison office*	491		413			904
NON STAFF COSTS TOTAL	(6,003)		(2,064)	(550)		(6,192)
TOTAL RECURRING EXPENDITURE	(9,711)		(2,816)	(1,606)	(98)	(11,806)

NOTES: n/c assumes no change in this category of recurrent expenditure; * Costs not apportioned by organization

Annex II (continued) Table 8

PERCENTAGE OF STAFF MOVING			ORGANIZATIONS and UNITS MOVING:
			UNDP
PROFESSIONAL	90%		
GENERAL SERVICE	NONE		UNFPA

TRANSITION COSTS

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Assignment grant (Prof.& GS)	6,831		1,743			8,575
Re-assignment shipping costs (P&GS)	2,903		741			3,644
Termination indemnity (Prof)	2,805		718			3,523
Termination indemnity (GS)	13,139		3,226			16,365
Ex-gratia payment (GS)	13,139		3,226			16,365
Reassignment travel	1,607		410			2,017
Recruitment and training of new staff	3,264		801			4,066
PERSONNEL COSTS TOTAL	43,689		10,865			54,555
NON STAFF COSTS						
Office rent (New York & Geneva)	3,640		1,370			5,010
Buy-out of leases	5,216					5,216
Transfer of records to Bonn	375		88			463
Office furniture	6,074		1,638			7,713
Computer hardware/software	4,158		1,611			5,768
Office equipment	2,157		393			2,550
Advance office in Bonn	2,420		618			3,038
Contingency						8,431
NON STAFF COSTS TOTAL	24,040		5,718			38,190
TOTAL TRANSITION COSTS	67,730		16,584			92,745

Increase/(decrease) in RECURRING EXPENDITURE

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Post adjustment (Professional)	2,794		637			3,431
Education grant (P&GS)	1,362		257			1,618
Income tax (P&GS)	(6,612)		(1,536)			(8,148)
Rental subsidy	282		260			542
Insurance subsidy (P&GS)	(1,651)		(400)			(2,050)
Salary, pension, dep. allow. (GS)	(70)		(17)			(87)
PERSONNEL COSTS TOTAL	(3,894)		(800)			(4,694)
NON STAFF COSTS						
Office rent	(7,279)		(2,740)			(10,019)
Utility cost*						477
Telephone/Telex/E-Mail	1,146		274			1,420
Travel	(361)		(11)			(372)
Office equipment, furniture, computers*						717
Security*						1,232
New York liaison office*	491		413			904
NON STAFF COSTS TOTAL	(6,003)		(2,064)			(5,642)
TOTAL RECURRING EXPENDITURE	(9,898)		(2,864)			(10,336)

NOTES: n/c assumes no change in this category of recurrent expenditure; * Costs not apportioned by organization

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Annex II (continued) Table 9.

PERCENTAGE OF STAFF MOVING		ORGANIZATIONS and UNITS MOVING:
		UNDP
PROFESSIONAL	90%	
GENERAL SERVICE	10%	UNFPA

TRANSITION COSTS

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Assignment grant (Prof.& GS)	7,612		1,939			9,551
Re-assignment shipping costs (P&GS)	3,326		847			4,173
Termination indemnity (Prof)	2,805		718			3,523
Termination indemnity (GS)	11,821		2,896			14,717
Ex-gratia payment (GS)	11,821		2,896			14,717
Reassignment travel	1,841		469			2,310
Recruitment and training of new staff	2,937		720			3,656
PERSONNEL COSTS TOTAL	42,163		10,484			52,647
NON STAFF COSTS						
Office rent (New York & Geneva)	3,640		1,370			5,010
Buy-out of leases	5,216					5,216
Transfer of records to Bonn	375		88			463
Office furniture	6,074		1,638			7,713
Computer hardware/software	4,158		1,611			5,768
Office equipment	2,157		393			2,550
Advance office in Bonn	2,420		618			3,038
Contingency						8,241
NON STAFF COSTS TOTAL	24,040		5,718			37,999
TOTAL TRANSITION COSTS	66,203		16,202			90,646

Increase/(decrease) in RECURRING EXPENDITURE

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Post adjustment (Professional)	2,794		637			3,431
Education grant (P&GS)	1,362		257			1,618
Income tax (P&GS)	(6,547)		(1,520)			(8,067)
Rental subsidy	282		260			542
Insurance subsidy (P&GS)	(1,651)		(400)			(2,050)
Salary, pension, dep. allow. (GS)	(70)		(17)			(87)
PERSONNEL COSTS TOTAL	(3,830)		(783)			(4,614)
NON STAFF COSTS						
Office rent	(7,279)		(2,740)			(10,019)
Utility cost*						477
Telephone/Telex/E-Mail	1,146		274			1,420
Travel	(361)		(11)			(372)
Office equipment, furniture, computers*						717
Security*						1,232
New York liaison office*	491		413			904
NON STAFF COSTS TOTAL	(6,003)		(2,064)			(5,642)
TOTAL RECURRING EXPENDITURE	(9,833)		(2,848)			(10,255)

NOTES: n/c assumes no change in this category of recurrent expenditure; * Costs not apportioned by organization

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Annex II (continued) Table 10

PERCENTAGE OF STAFF MOVING			ORGANIZATIONS and UNITS MOVING:
			UNDP
PROFESSIONAL	90%		
GENERAL SERVICE	25%		UNFPA

TRANSITION COSTS

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Assignment grant (Prof.& GS)	8,783		2,217			11,000
Re-assignment shipping costs (P&GS)	3,961		998			4,959
Termination indemnity (Prof)	2,805		718			3,523
Termination indemnity (GS)	9,866		2,425			12,292
Ex-gratia payment (GS)	9,866		2,425			12,292
Reassignment travel	2,193		552			2,745
Recruitment and training of new staff	2,451		603			3,054
PERSONNEL COSTS TOTAL	39,926		9,939			49,865
NON STAFF COSTS						
Office rent (New York & Geneva)	3,640		1,370			5,010
Buy-out of leases	5,216					5,216
Transfer of records to Bonn	375		88			463
Office furniture	6,074		1,638			7,713
Computer hardware/software	4,158		1,611			5,768
Office equipment	2,157		393			2,550
Advance office in Bonn	2,420		618			3,038
Contingency						7,962
NON STAFF COSTS TOTAL	24,040		5,718			37,721
TOTAL TRANSITION COSTS	63,967		15,657			87,586

Increase/(decrease) in RECURRING EXPENDITURE

	UNDP	OPS	UNFPA	UNV	GENEVA	TOTAL
PERSONNEL COSTS						
Post adjustment (Professional)	2,794		637			3,431
Education grant (P&GS)	1,362		257			1,618
Income tax (P&GS)	(6,442)		(1,493)			(7,935)
Rental subsidy	282		260			542
Insurance subsidy (P&GS)	(1,651)		(400)			(2,050)
Salary, pension, dep. allow. (GS)	(70)		(17)			(87)
PERSONNEL COSTS TOTAL	(3,725)		(757)			(4,482)
NON STAFF COSTS						
Office rent	(7,279)		(2,740)			(10,019)
Utility cost*						477
Telephone/Telex/E-Mail	1,146		274			1,420
Travel	(361)		(11)			(372)
Office equipment, furniture, computers*						717
Security*						1,232
New York liaison office*	491		413			904
NON STAFF COSTS TOTAL	(6,003)		(2,064)			(5,642)
TOTAL RECURRING EXPENDITURE	(9,728)		(2,821)			(10,124)

NOTES: n/c assumes no change in this category of recurrent expenditure; * Costs not apportioned by organization

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